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NSC BRIEFING

24 September 1954

SITUATION IN SOUTH VIETNAM


- I. Prolonged crisis reaching climax.
Diem, in mustering all strength he can, has announced new govt.
 - A. Contains Hoa Hao, Cao Dai leaders, certain nationalist elements.
- II. Coming over of these two sects is encouraging from Diem's standpoint-- crisis not solved yet.
 - A. Hinh still insubordinate.
 - B. Diem reassumed post of defense minister.
- III. Final solution likely to be determined by force French bring to bear on situation.
 - A. Primary element French strength is expeditionary corps.

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B. Secondary element is psywar capability which used with telling effort against Diem.

IV. Comparative forces in Indochina.

A. 100,000 French ^{union} troops in [half U. Navy] south; 67,000 still in north; they far outclass Viet army (145,000 in south, 35,000 in north.) 

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B. Also, French control arms supply.

1. This bears on failure senior Viet officers support Diem.

C. Cao Dai and Hoa Hao forces total only some 25,000; not first-class.

V. But even with this meager armed backing premier might gain breathing space owing French reluctance to get involved in armed outbreak.

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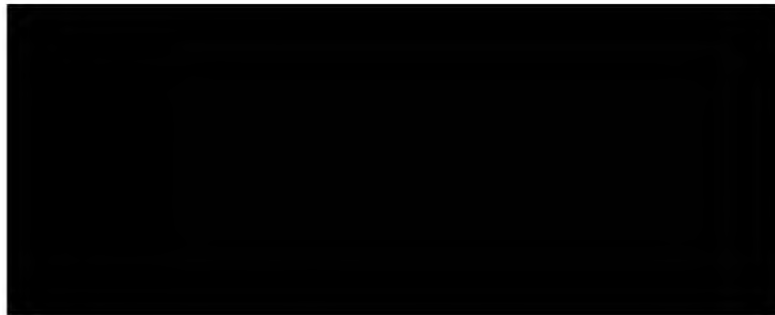
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VI. Bao Dai remains key factor.

- A. Legal arbiter of govt change.
- B. All parties pressing him.
- C. French said Bao Dai would oust Diem in few days.
- D. Bao Dai cabled Diem 23 Sept permission to resign "if he so desired."
- E. No assurance yet he will approve newly-announced cabinet.

VII. French campaign against Diem, prolonged crisis have aided Viet Minh.

VIII. Viet Minh interested in political crisis in south.



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C.



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1. Thus, French and Viet
Minh have common desire
govt in south which
weak, not pro-US.

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